



Bringing in the views of stakeholders

26th March 2021

"Bringing in the views of stakeholders" session

AGENDA



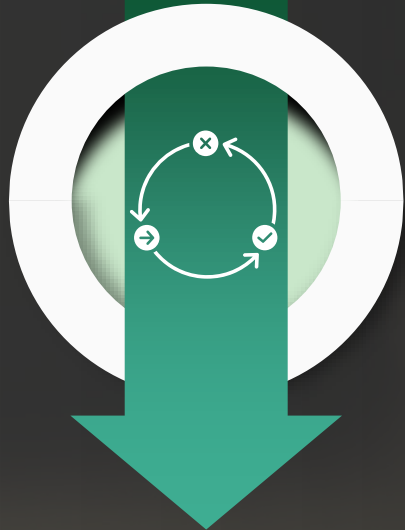
TIME

DETAILS

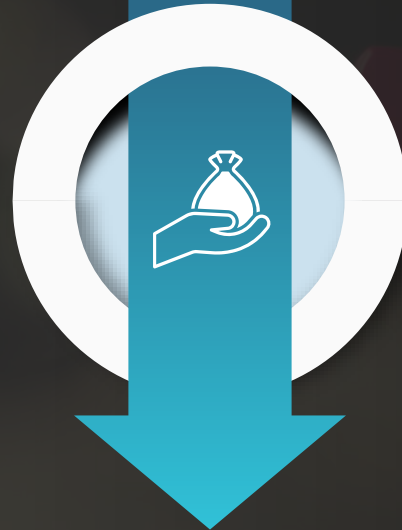
| | |
|----------------|--|
| 4:30 - 4:40 pm | Context setting: <i>Introduction to the team, Why and How did we conduct our study?</i> |
| 4:40 - 4:45 pm | Positive RERA wave across stakeholders <i>What are different stakeholders saying about RERA?</i> |
| 4:45 - 5:05 pm | Views of the stakeholders |
| 5:05 - 5:10 pm | Proposed recommendations <i>Our key findings from the study</i> |
| 5:10 - 5:25 pm | Open discussion: <i>Inputs on the proposed recommendations and any other thoughts</i> |
| 5:25 - 5:30 pm | Closing thoughts |



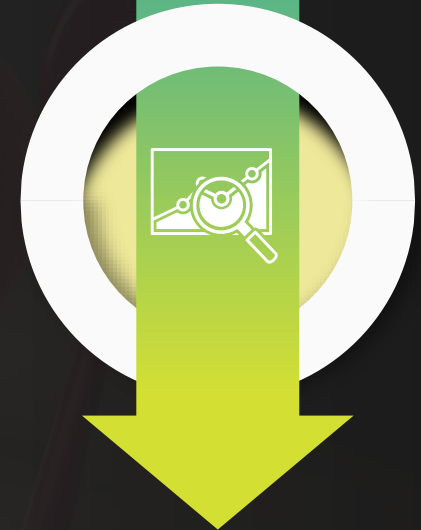
Key objectives of the overall study



Assess execution of RERA across key dimensions, e.g., transparency, accountability, customer empowerment, const. excellence, etc.



Suggest potential recommendations on implementation excellence across states & **policy shifts** to make RERA more effective



Discuss the **key findings & potential recommendations** with relevant stakeholders across the entire ecosystem

What we want to achieve today?

- 1 Share the **key findings** from our study
- 2 Gather inputs on proposed **recommendations** across states
- 3 Hear your thoughts on any **additional points** of interest



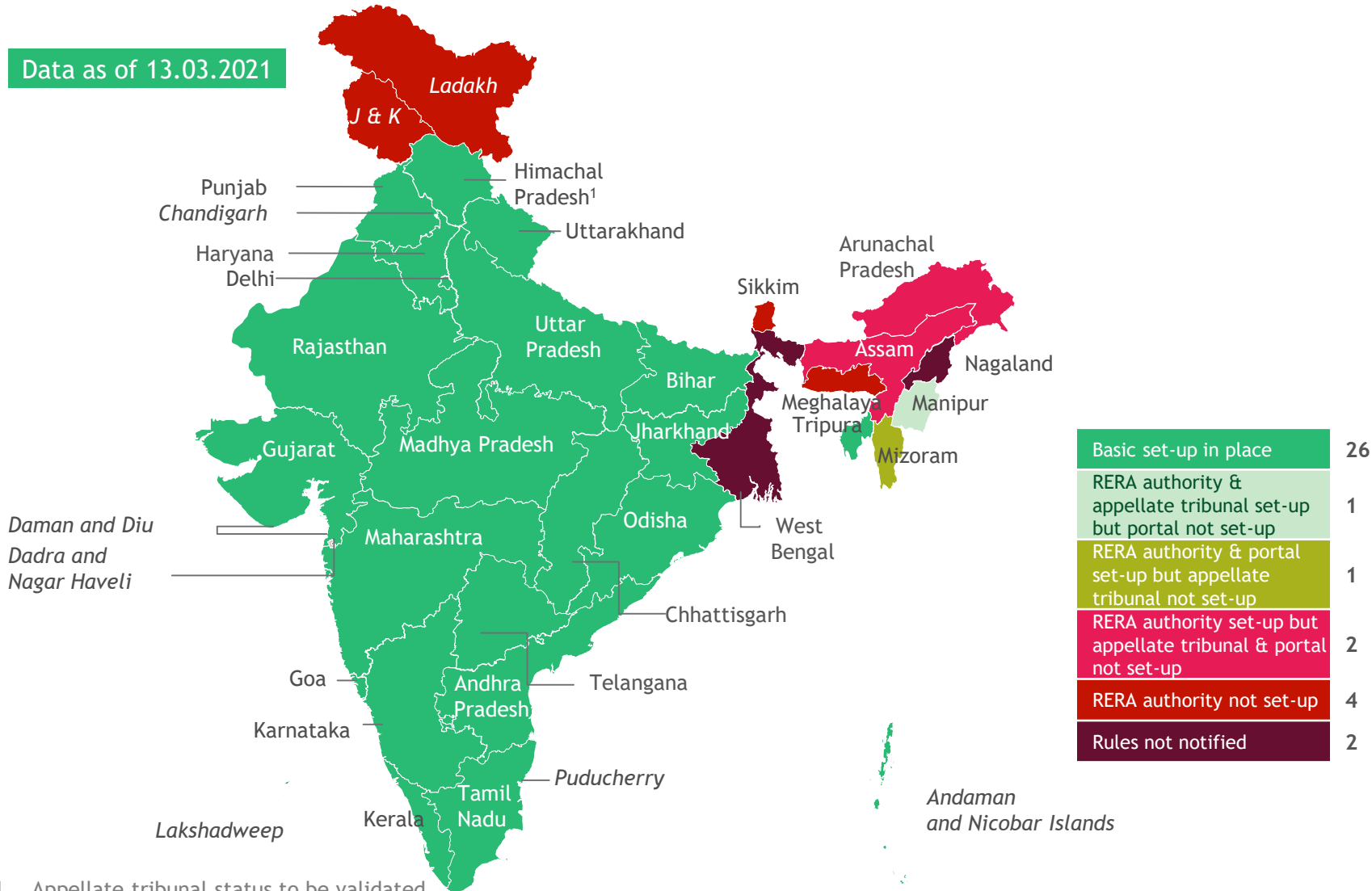
What has RERA achieved so far...



~70% of the states in India have basic RERA setup in place

Covering states with ~91% of India's urban population

Data as of 13.03.2021



- 61,439 Projects registered
- 48,556 Agents registered
- 64,333 Complaints disposed
- ~91% Urban population with basic RERA set-up

1. Appellate tribunal status to be validated
 Note: Regular and Interim authority set-up considered similar; Source: MoHUA website

Ongoing efforts of RERA
have resulted in upward
shift in **India's**
global real estate
transparency ranking¹...

2016

41



2020

33

1. Global Real Estate Transparency Index 2020, published by JLL



... triggering positive sentiments across all stakeholders



Visible shift in terms of transparency & consumer confidence

“ One website with all project info makes realty transactions hugely transparent. We can also see other ongoing projects by same builder and assess his financial capacity.

- Consumer



Higher confidence in timely completion of projects

“ Implementation of RERA has benefitted developer greatly. As we were already complying with existing regulations, RERA rules have only made us more disciplined.

- MD, Real estate developer



Providing alternative & dedicated consumer grievance

“ With RERA coming into implementation, I am less scared to purchase a real estate property. I know RERA can be approached if anything goes wrong.

- Consumer



Forums being set-up to facilitate best practices across states

“ AIFORERA is a society of RERAs for sharing various common concerns & learnings to bring about uniformity in working among States/ UTs and achieve objectives.

- Secretary, Central Ministry

What do the
key stakeholders have
to say...



Extensive primary research undertaken to capture views of all key stakeholders

Covering the complete spectrum of Real Estate Stakeholders...



Consumers



Developers¹



Real estate agents



RERA/Industry Bodies²



Financial institutions



Architects



CAs



Civil Engineers



Lawyers



Others³

1300+
stakeholders

...with our in-depth discussions

1

1:1 detailed interviews with 40+ stakeholders, including entire spectrum

2

In-depth group discussions with 40+ consumers across select states

3

Detailed quant survey across 1100 Consumers & 150 Developers across select states⁴



Global & state benchmarking conducted to supplement our findings from primary research

We will be sharing the perspective of **key stakeholder segments** today

1. Large and mid/small-sized developers 2. Including NAREDCO, CREDAI & NIUA 3. Including Researchers and consultancy startups who understand the field of Real estate 4. Five states: Maha, UP, MP, Orissa and Karnataka, both Tier I & Tier II/III cities

High RERA recall among consumers...

70%

Consumers are aware about RERA

“

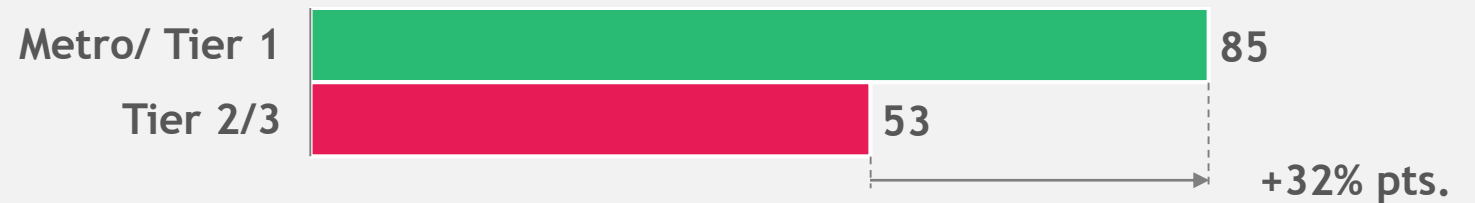
While looking for a flat to purchase, we knew that if it is RERA registered, there is an authority who is governing the project and that we will get our flat within stipulated time.

- Consumer

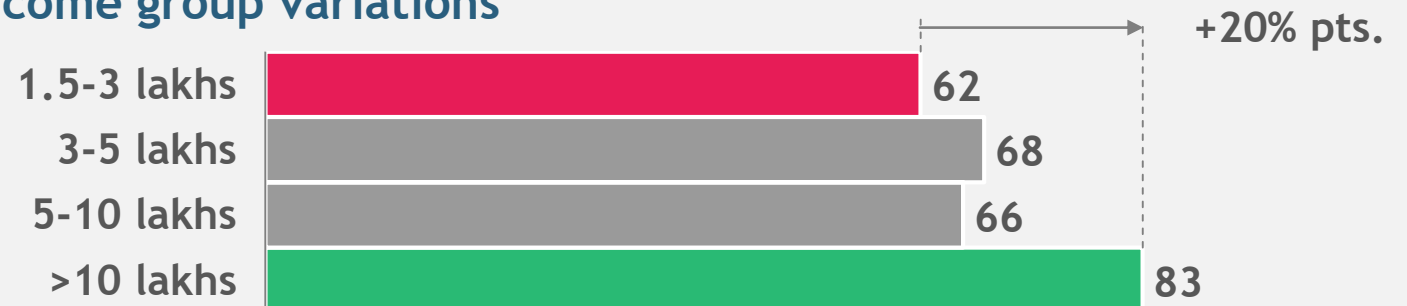
... but variations exist in awareness levels among small town & lower income consumers

City level variations

RERA awareness (%)



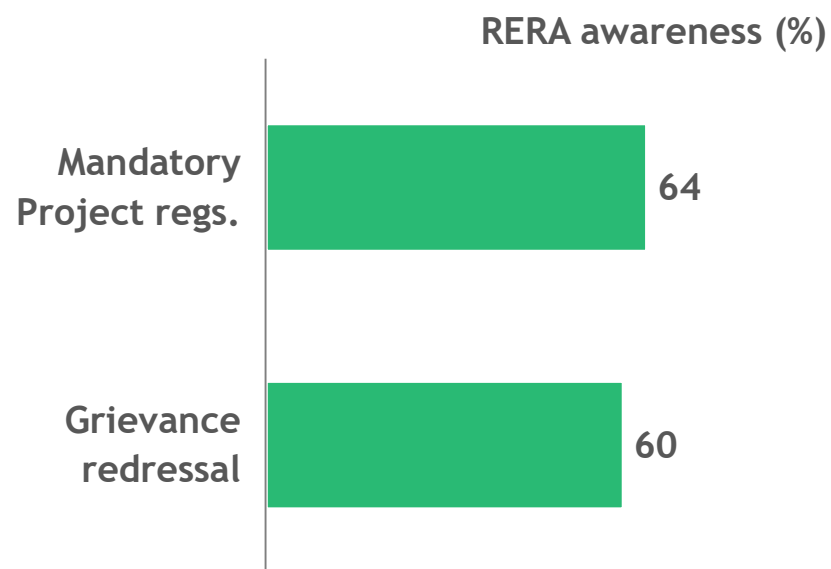
Income group variations



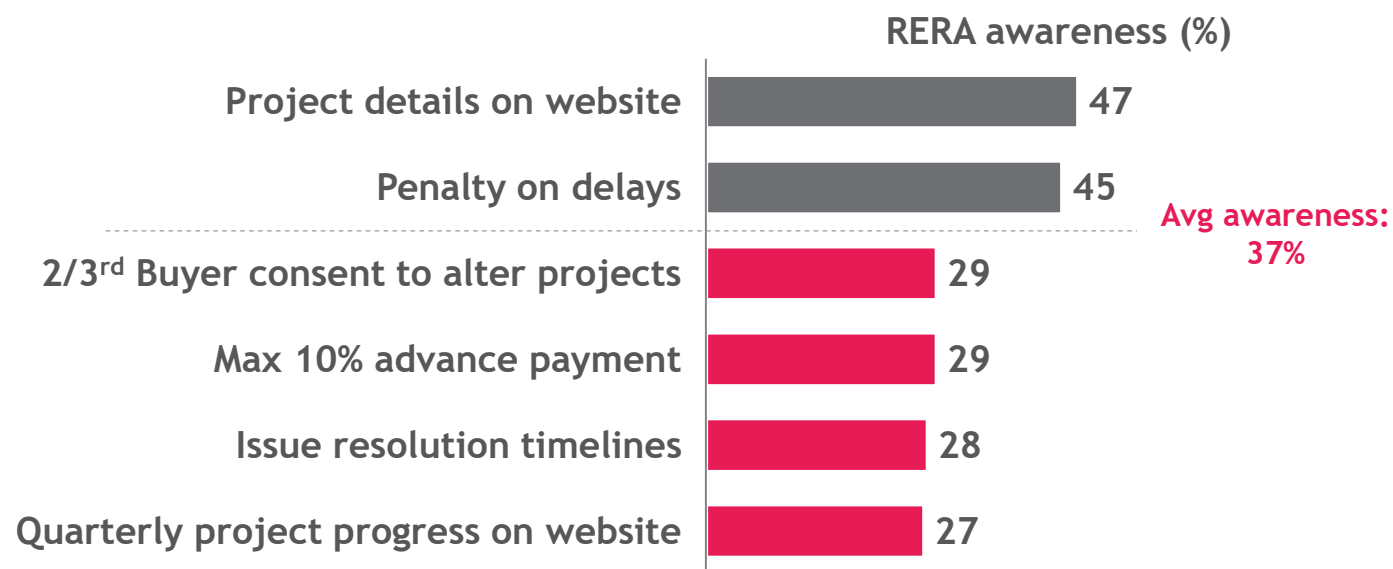
Q. Can you tell us have you ever heard about RERA i.e., Real Estate Regulation & Development Act?
Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maha, UP, MP, Orissa and Karnataka

Consumer knowledge limited to basic RERA features, limited knowledge of specifics

60%+ consumers are aware about RERA features around mandatory registration & grievance redressal



Limited awareness among consumers on critical dimensions around website, penalties and resolution timelines



RERA is a preferred consumer forum for grievance redressal...

5/6

Consumers seek grievance redressal through RERA...

“

I was expecting a resolution to my complaint by end of January 2019, but the state RERA acted very fast and gave me the possession early, in December 2018.

- Consumer

... however, the satisfaction levels are low and highly linked to the resolution timelines

22%

Consumers are satisfied with the current RERA grievance redressal process, due to long resolution timeline, order execution delays, etc.

| Complaint resolution timeline | Satisfied (%) |
|-------------------------------|---------------|
| Up to 3 months | 63% |
| 3-6 months | 28% |
| 6+ months | 9% |
| Not resolved | 0% |

“

I had filed complaint with RERA in Jan 2020 however no resolution is yet received. Builder is leveraging dispute resolution to buy time & complete project - Consumer

Q. Can you tell us whether you lodged any formal complaint against the developer for any dispute? On which forums did you file the complaint? Base: All buyer respondents Q. Can you tell us your overall complaint resolution experience with RERA Authority/Appellate Tribunal on a scale of 1 to 5? Base: Respondents registered complaint with RERA Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maha, UP, MP, Orissa and Karnataka 15

Low consumer engagement on website, and low satisfaction levels among users

14%

Visited RERA website
Most consumers visit websites to only check RERA registration of the property

“

I visited the RERA website to check the project details but got completely lost in all the tabs available. Would be helpful if there's any video/document to help me understand the path to information I am seeking.

- Consumer

24%

Consumers are satisfied with RERA website of the ones who visited website

| | Satisfied (%) |
|-----------------------------------|---------------|
| Reliability/Authenticity of info. | 52% |
| Language availability option | 46% |
| Ease of finding details | 26% |
| Smooth login process | 24% |
| Smooth website functioning | 19% |
| Breadth of information available | 14% |

“

RERA website is very complex, I wanted to check project details but could not find the project related documents directly in the list of ongoing projects.

- Consumer

Q. Can you please let us know which of the following activities did you on the RERA website? Base: All respondents

Q. Can you tell us your overall experience of accessing the state RERA website on a scale of 1 to 5 with 5 being the highest? Base: Respondents visited website

Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maha, UP, MP, Orissa and Karnataka

Despite select challenges, high overall positive sentiment about RERA with clear spike among "more aware"

High positive sentiment in consumers for RERA

% Strongly/Slightly Agree

Are you only going to only buy RERA registered projects in future? **~76%**

Are you more confident to buy real estate since implementation of RERA? **~63%**

Are you less worried about fraudulent builders since implementation of RERA? **~58%**

Split by awareness levels

High RERA awareness¹

Low RERA awareness¹

~84%

~29%

~66%

~45%

~62%

~42%

Potential to boost real estate by growing RERA awareness

1. High/Low RERA awareness: Aware about more/less than 50% RERA aspects at aided awareness among intenders
 Q. Can you tell us on a scale of 1 to 5 how satisfied are you with RERA? Base: RERA aware respondents
 Q. Can you tell us on a scale of 1 to 5 how strongly do you agree or disagree with each of the following statements? Base: RERA aware respondents
 Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maha, UP, MP, Orissa and Karnataka

Consumers | High positive sentiment about RERA, with a few potential areas of improvement

1



- ~70% consumers are aware of RERA, but awareness is limited to basic features on RERA being a regulatory body that ensures timely project completion
- Significantly lower awareness among small town consumers and lower income groups

2



- RERA is a preferred grievance redressal forum, 5 out of 6 consumers seek redressal through RERA over other forums but limited overall satisfaction
- Only 22% are satisfied due to slow, time-consuming process & delays in order execution

3



- Limited role of RERA website in consumer journey, only 14% have ever visited RERA website with low satisfaction levels ~ 24% among the visitors
- Viewed as reliable source of info., but user-friendliness of site remains a major challenge

4

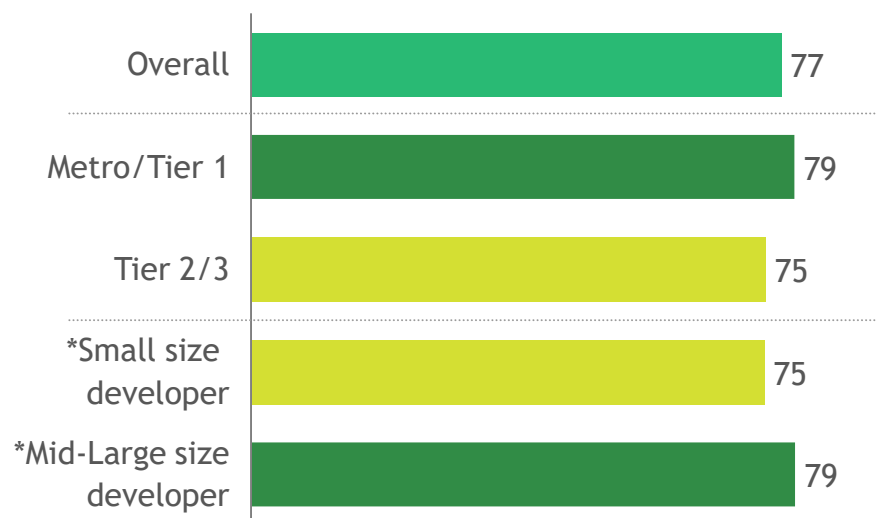


- Despite limited knowledge of RERA, there is a high overall positive sentiment
- High positive sentiment on buying only RERA properties (76%) & confidence in sector (63%)
 - Spike among "more aware"; driving consumer awareness can give a boost to the sector

75-80% projects are registered with RERA; potential to drive further compliance among smaller-sized developers, small towns

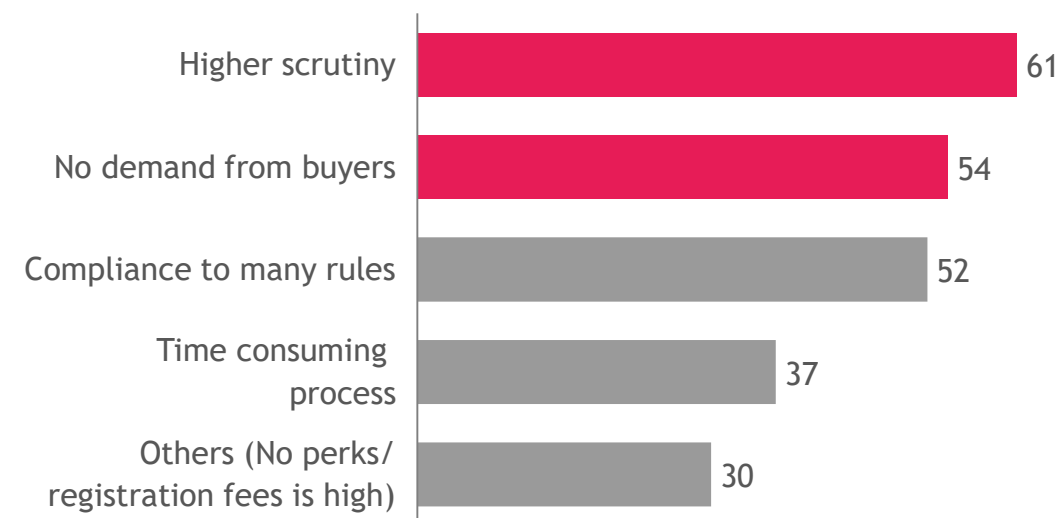
Compliance lower among small towns, smaller-sized developers...

% of RERA registered projects



... with ~60% developers fearing higher scrutiny & higher consumer complaints

Top 3 reasons for not registering in RERA - (% responses)



Q. Can you tell us how many projects are RERA registered projects? Q. Can you tell us what were the key reasons to register these projects under RERA?

Q. Can you tell us what were the key reasons to not register these projects under RERA?

*Small size developer - upto 100 units launched, mid & large-sized developer - 100-250 units launched for residential/commercial projects

Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Orissa and Karnataka

64% Developers are highly satisfied with RERA

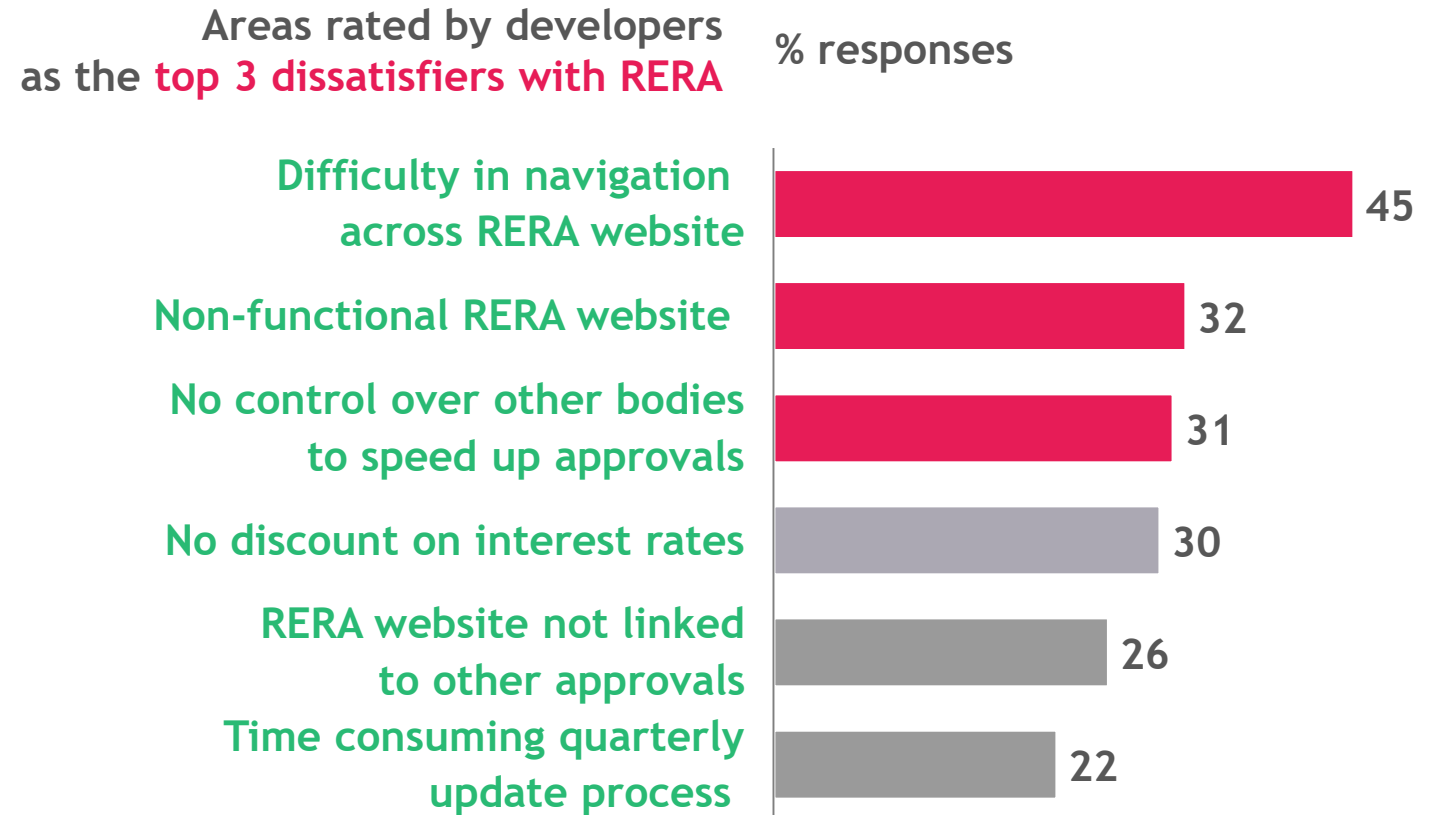
Faster Loans & Improved Developer Credibility are rated as top 2 aspects by developers for high satisfaction

“

With RERA coming into effect, consumer confidence in the sector is improving. **Our credibility amongst consumers is increasing** if our projects are registered with RERA. We hope this will help the overall sector growth.

- *Small-sized developer*

... however, there is scope of improvement to further **increase the developers' satisfaction levels**



Q. Can you tell us top 3 aspects for which you are dissatisfied with RERA?

Q. Basis your interaction with RERA throughout the project development cycle, can you tell us how satisfied are you with RERA? Q. Can you tell us top 3 aspects for which you are satisfied with RERA?

Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Orissa and Karnataka

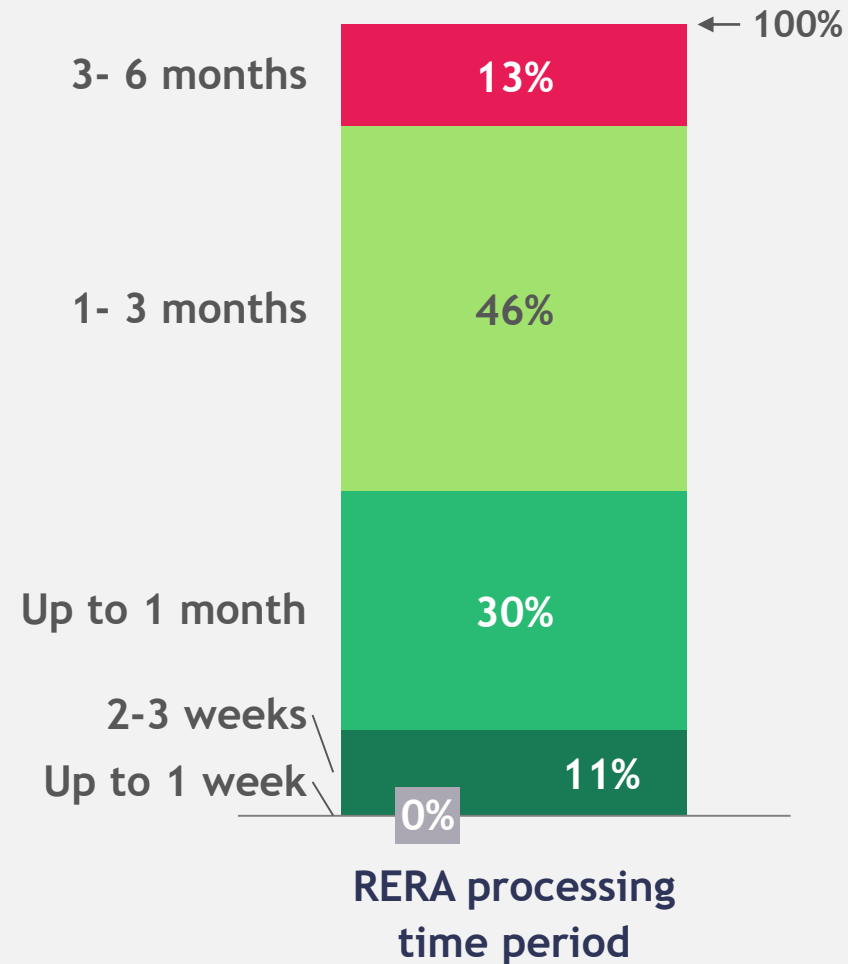
Varied timelines for getting project registered with RERA



Developer & project registration process done manually by RERA; there is a **lead times of over 2/3 months** for issuance. In last few months, we haven't got approvals because of approving personnel not being available.

- *Small developer*

For ~13% cases, RERA registration not received within 3 months



Q. can you tell us how much time is required in receiving RERA registration post submitting all documents?
Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Orissa and Karnataka

Further asks from the developers to boost the overall sector

Top 3 areas highlighted by developers for support

% Developer responses

| | |
|---|------------|
| Need to build standardized developer rating mechanism | 73% |
| Need to create standardized project rating mechanism | 70% |
| Availability of construction quality certification mechanism | 58% |
| Single window registration facility | 52% |
| Rate of interest of borrowing being linked to developer pedigree/rating | 47% |

“

While we are complying with all the RERA regulations, we believe that **getting the due benefit from RERA for this compliance in some sort of grading would be helpful.** Would support more developers to comply with the RERA rules.

- *Small-sized developer*

Developers | High compliance across developers, potential interventions to improve the satisfaction levels

1



75-80% projects RERA registered, but compliance lower among small towns, smaller-sized developers with key reason being higher scrutiny and higher consumer complaints under ambit of RERA

2



64% developers satisfied with RERA

- Ease of getting funding from financial institutions, improvement in developer credibility due to RERA registrations and weeding out unethical developers are the top reasons

3



Top 3 reasons for developer dissatisfaction include difficulty in website navigation, lack of control with RERA to speed track other approvals & no discount in interest rate for RERA registered projects

4



Varied timelines for getting projects registered with RERA, with ~13% cases getting the registration done in more than 3 months

- ~40% projects are getting registered in less than 1 month

5

123

Standardized developer and project rating mechanism key ask of developers, to help differentiate from other developers and projects

- More than 70% developers highlighted developer & project gradings as top 2 support areas

RERA Authorities | Key asks of state RERAs from the center for policy shifts



Defining interface between RERA and other approving authorities

Potential ways to **ensure timely project approvals** by authorities:

- RERAs can enable **data visibility** on approvals to identify **key delayers**
- Set up **potential interaction-mechanism** between RERA & other authorities
- **Leverage best practices** adopted by states for **single window system**



Drive accountability via inclusion of different stakeholders





- A central forum can assess the possibility of **including relevant stakeholders** of Real Estate including Financial Institutions, Architects, Engineers, etc. under the RERA's purview



Clarity in roles & responsibilities of RERA for stalled projects

- Broad guidelines/ potential options** can be created on role of RERA for stalled projects
- A central forum can **plan & conduct discussion forums** between state RERAs, lawyer associations, and other relevant authorities, to cover **state-wise challenges & define way forward**

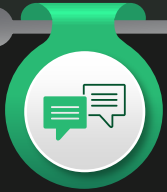
Summary | Key challenges and opportunities across stakeholder ecosystem

|  Consumers |  Developers |  Agents, Financiers, etc. |  State RERA / Industry bodies |
|---|--|---|--|
| Consumer awareness | | | |
| <ul style="list-style-type: none"> Low awareness of full-fledged benefits of RERA and usability of RERA website portals | <ul style="list-style-type: none"> Limited demand from consumers for RERA registered projects and agents | <ul style="list-style-type: none"> Low consumer awareness leading to low usage of website portals | |
| Streamlining processes and driving adherence across states | | | |
| <ul style="list-style-type: none"> Need to shorten complaint resol. timeline & delays in enforcements Improve developer compliance Need to improve on functionality & user friendliness of portals Need for higher transparency on State level RERA performance | <ul style="list-style-type: none"> Need for streamlining the RERA registration process & timelines across states | | |
| Strategic and policy shifts | | | |
| <ul style="list-style-type: none"> Defining interface b/w RERA & other authorities | | <ul style="list-style-type: none"> Clarity in roles for stalled projects Drive accountability via inclusion of diff. stakeholders | |
| Promotion of RE sector | | | |
| <ul style="list-style-type: none"> Need of training for technical stakeholders | | <ul style="list-style-type: none"> Scope for further leveraging data and promoting the real estate | |

Proposed recommendations



Summary | Recommendations & call to action



Drive consumer awareness

- Drive Awareness about the **benefits of purchasing a RERA registered property**
 - Need to drive awareness using **ATL and BTL mediums**, e.g., Digital marketing, local newspapers, radio spots, workshops and events, etc.
 - State RERAs can drive **developers, agents and financiers to share standard RERA dockets** with consumers
- Implement awareness initiatives to increase adoption and **usage of RERA website portals** across consumers
 - State RERA authorities can upload navigation documents on websites & digital media, e.g., **portal navigation tutorial videos**, newspaper advertisements on apps, etc.



Sharing best practices across states

- Need to enable **easier & faster info. access** on RERA portals; A central forum can explore **sharing of website architecture** across state RERA authorities
- Improving RERA regs. timelines by laying out **best practices on regs. process** (digitization, no doc validation); State RERAs can **ensure resource availability**
- Need to drive **developer compliance through stringent checks** & initiatives like v higher penalties for incorrect info. & maintaining record of developer ads etc.
- Best practices sharing for streamlining & **fast-tracking grievance redressal** across states



Improve transparency of S-RERA performance

- A central forum can drive state RERAs to **publish key data metrics** for improving transparency on S-RERA performance
- Need to define and share **key metrics** which can be published by different state RERA authorities
 - Complaint resolution rate
 - Project registration timelines
 - RERA adoption in the state
 - Etc.

Open discussion...





Closing thoughts...

Thank you





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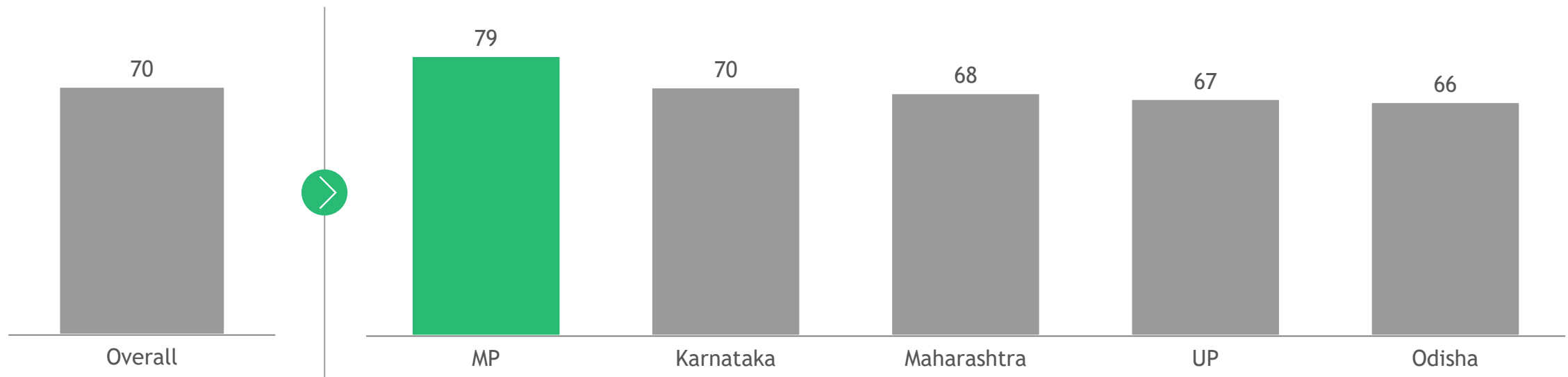
State-wise variations



Consumer Perspective

RERA Recall: MP slightly ahead in consumers' awareness of the RERA act, while other states largely at par

RERA aware (%)



■ >70% / ≤70%

Awareness of different RERA benefits slightly higher in consumers of Maha & UP

% Aided awareness

| Features | Overall | Mah | UP | Odisha | MP | Kar |
|---------------------------------------|---------|-----|-----|--------|-----|-----|
| Average awareness | 37% | 43% | 41% | 38% | 38% | 25% |
| Mandatory projects registration | 64% | 65% | 61% | 65% | 63% | 65% |
| Grievance redressal | 60% | 60% | 62% | 61% | 66% | 49% |
| Mandatory agent registration | 48% | 59% | 58% | 52% | 46% | 23% |
| Project details on website | 47% | 62% | 56% | 46% | 42% | 27% |
| Penalty for delay | 45% | 58% | 46% | 42% | 47% | 31% |
| Sale agreement to contain all details | 37% | 44% | 48% | 39% | 38% | 14% |
| Defect liability period | 34% | 39% | 39% | 30% | 34% | 27% |
| Max 10% advance w/o agreement | 29% | 31% | 35% | 31% | 29% | 19% |
| Buyer consent to alter project | 29% | 36% | 27% | 30% | 28% | 23% |
| Project progress website | 27% | 34% | 30% | 31% | 27% | 15% |
| Insure land title & construction | 16% | 19% | 20% | 16% | 16% | 10% |

■ >50% / ■ 21-50% / ■ <=20%

Q. Can you tell us which of the following aspects about RERA you are aware of? Base: All respondents
Source: RERA consumer research (N=1100+ real estate buyers/intenders) across 5 states: Maha, UP, MP, Odisha and Karnataka



Developer Perspective

High variation in RERA satisfaction by state: Maharashtra stands out in developer satisfaction

% projects registered

77%

Overall

87%

Maharashtra

80%

UP

76%

Odisha

74%

MP

68%

Karnataka

Overall satisfaction
(% Extremely/Slightly Satisfied)

64%

94%

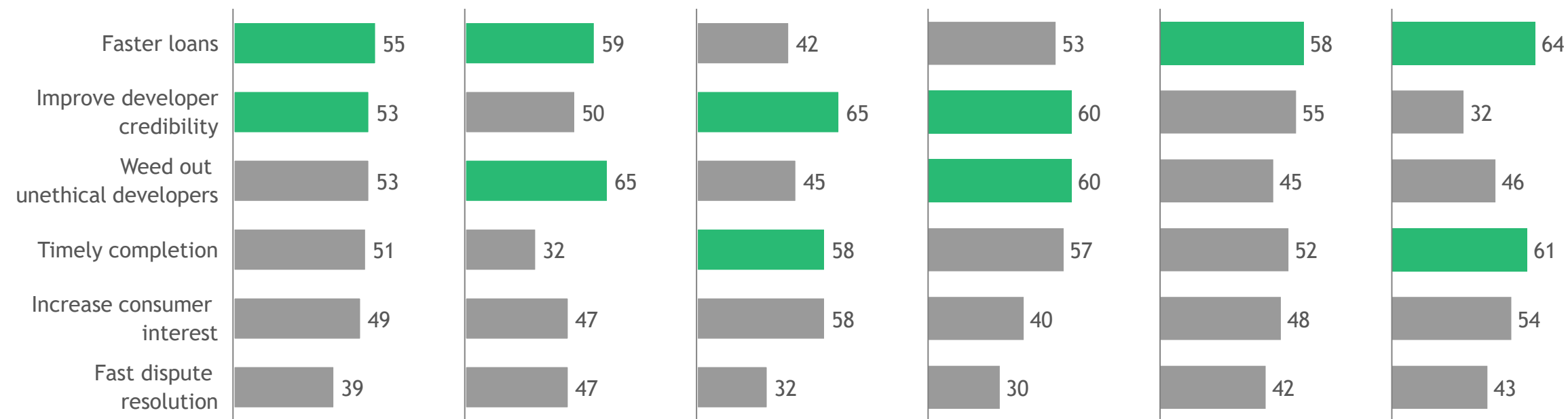
77%

70%

48%

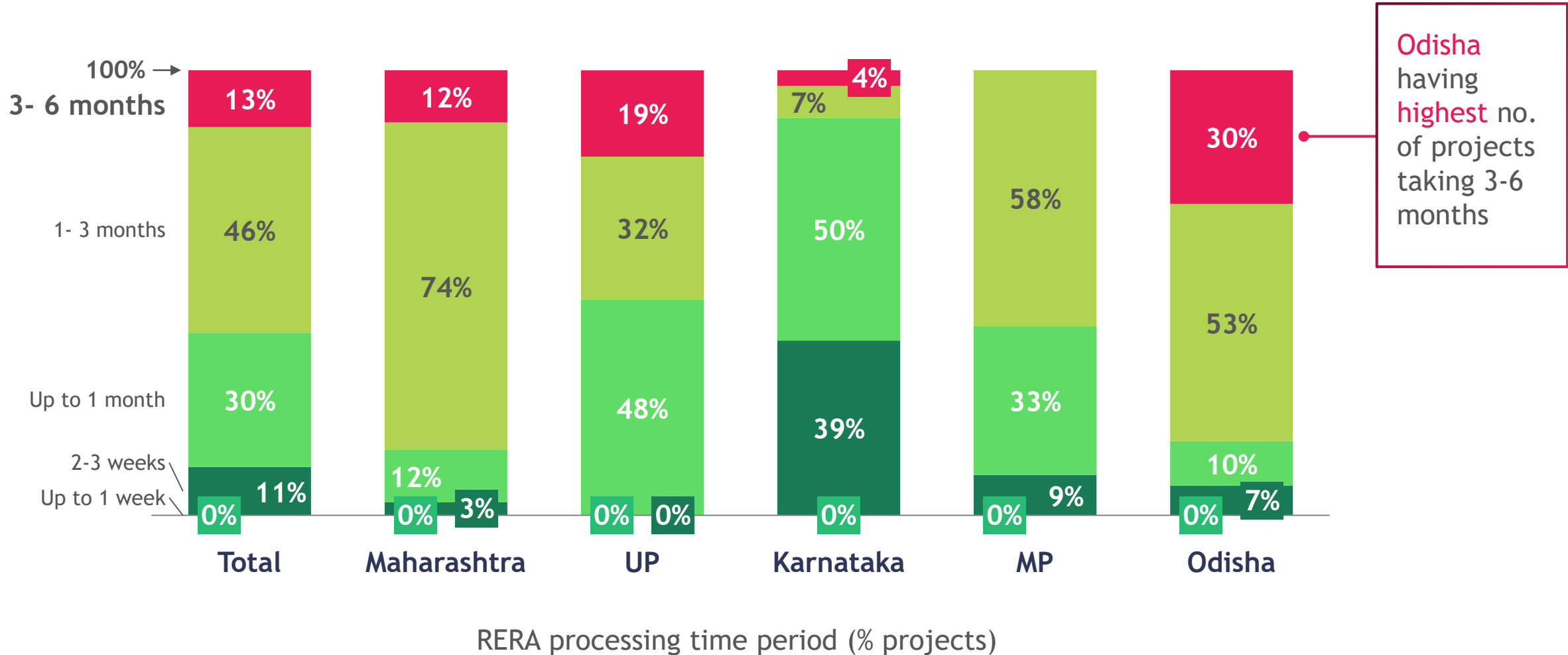
25%

Top 3 key aspects for satisfaction -(% responses)



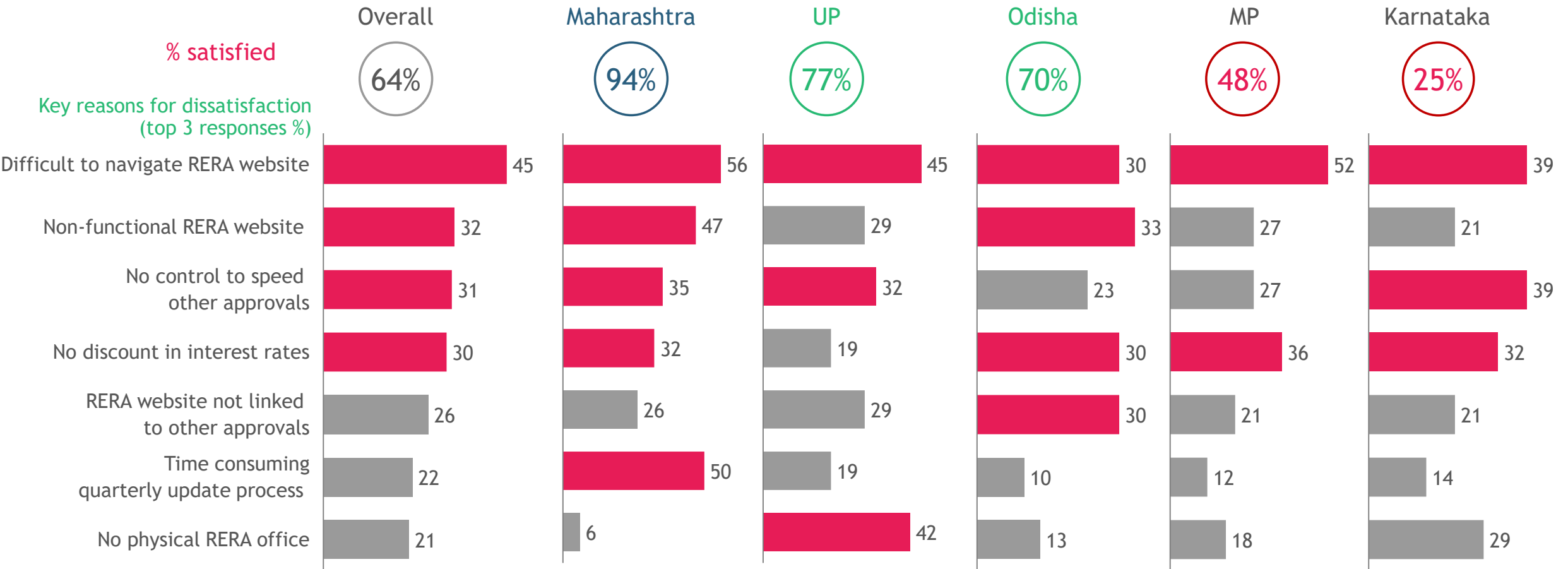
Q. Basis your interaction with RERA throughout the project development cycle (RERA registration, quarterly progress update on RERA website, grievance redressal, etc.), can you tell us how satisfied are you with RERA? Q. Can you tell us top 3 aspects for which you are satisfied with RERA??
Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Odisha and Karnataka

Varied timelines for getting project registered with RERA across states



Q. Can you tell us how much time is required in receiving RERA registration post submitting all documents? Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Odisha and Karnataka

Website-functionality issues, RERA's lack of control to speed reg. approvals & no discounts on interest rates top reasons of dissatisfaction across states



Q. Can you tell us top 3 aspects for which you are dissatisfied with RERA?
 Source: RERA developer research (N=150+ real estate developers) across 5 states: Maha, UP, MP, Odisha and Karnataka